GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1424
ANSWERED ON:02.08.2005
RELAXATION TO EXPORTERS
Bose Shri Subrata;Khan Shri Mohammad Tahir;Kushwaha Shri Narendra Kumar;Munshiram Shri ;Prasad Shri Hari Kewal;Thummar Shri Virjibhai

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government propose to confer upon certain exporters the status of 100% Export Oriented units in order to increase the exports as reported in `Dainik Jagran`, May 24,2005;

(b) if so, the details thereof alongwith criteria fixed thereof;

(c) whether the government has assessed the benefit the manufacturers/farmers are likely to get from the implementation of this proposal;

(d) if so, the details thereof;

(e) whether any target is likely to be fixed for the export of goods/agricultural products;

(f) if so, the details thereof alongwith initiatives taken in this regard;

(g) whether foreign exchange is likely to increase as a result of increase in exports; and

(h) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN)

(a) to (d): No, Sir. However, Board of Approval(BOA) in the Department of Commerce has been empowered to relax the condition of minimum investment criteria of Rs. One crore for establishment of 100% Export Oriented Units(EOUs).

(e) to (h): No export target is fixed by the Government for EOU Scheme. However, exports have registered a growth of 21% & 23% with foreign exchange earnings of about Rs. 22,730 and Rs. 27,890 crores for the years 2002-03 & 2003-04 respectively. For the year 2004-05, the foreign exchange earning has been around Rs. 28,900 crores (provisional). Government has taken initiatives by way of annual supplements & public notices to simplify the procedures to reduce transaction cost and enhance exports. These initiatives include introduction of Fast Track Clearance Scheme for certain EOU exporters, proposal to remove cess on agricultural and processed food products, spices, marine products, coffee and tobacco, provision for transfer of capital goods, etc. These initiatives are expected to increase exports from India by making them more competitive in international market.